

**Summary of Testimony of  
Chairman James J. Hoecker  
Federal Energy Regulatory Commission  
before the  
Energy and Natural Resources Committee  
United States Senate**

**June 29, 1999**

Competition is growing in bulk power markets, in response to the Energy Policy Act of 1992 and the Federal Energy Regulatory Commission's efforts to remove barriers to competition and to let markets -- not regulators -- determine the price of wholesale power. Competition in wholesale markets encourages the development of innovative services and supply options, and ultimately reduces prices for end users.

The Commission's efforts to promote wholesale competition in bulk power markets have centered on two initiatives. The first, the adoption of Order No. 888 in 1996, sought to promote competition by requiring each public utility that owns, controls, or operates facilities used for transmitting electric energy in interstate commerce to file an open access tariff offering open access non-discriminatory transmission services to wholesale sellers and buyers of power. The second initiative, the Commission's recent Notice of Proposed Rulemaking on regional transmission organizations, seeks additional efficiencies and competitive benefits by strongly encouraging the formation of organizations to operate the transmission grid on a regional basis.

Federal electricity legislation can help ensure the continued development of competitive electricity markets, and the benefits that flow from such markets. This legislation should, at a minimum, bring all transmission facilities in the lower 48 States under open access transmission rules; reinforce the Commission's authority to promote regional management of the transmission grid through regional transmission organizations; and establish a fair and effective program to protect bulk power reliability. In addition, Congress should clarify certain State/Federal jurisdictional issues, amend the Public Utility Holding Company Act while maintaining consumer protections, and enhance the Commission's ability to address market power concerns.

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Mr. Chairman and Members of the Committee:

Thank you very much for inviting me to appear before you today to discuss proposed electricity legislation now before this Committee. I am especially pleased to assist Congress in its efforts to bring the benefits of a restructured electric power business to the American people.

The Federal Energy Regulatory Commission (Commission or FERC) is actively promoting competition in the wholesale or "bulk power" market, in furtherance of the goals of the Energy Policy Act of 1992. To achieve those goals, the Commission's fundamental regulatory objectives are: (1) to substitute competition for price regulation in wholesale power markets to the extent possible; and (2) to regulate essential transmission facilities so as to enable competition in power markets.

Two recent Commission initiatives have enabled the emergence of wholesale competition. The first initiative, the transmission open access rule known as Order No. 888, has fostered competition by making transmission services available to wholesale sellers and buyers of power who need access to the wires of the

interstate transmission grid. The Commission's second initiative, a new rule proposed by unanimous vote on May 12, 1999, is designed to bring additional efficiency and competitive benefits to the electric marketplace by strongly encouraging the formation of regional transmission organizations, or "RTOs." RTOs would operate the transmission grid on a regional basis and reduce obstacles to competition among sources of electric generation.

In prior testimony before this Committee and others, I have identified key areas in which Federal legislation could help define and guarantee a truly competitive electricity future. My testimony focuses on the issues that are most important in light of the Commission's strategy for achieving wholesale competition.

### **Legislative Priorities for Wholesale Electric Markets**

To fully realize the goal of competitive wholesale power markets set by Congress in the Energy Policy Act of 1992 and promoted by the Commission since then, I believe that Federal electricity legislation should, at a minimum: (1) bring all transmission facilities in the lower 48 States under the Commission's open access transmission authority; (2) reinforce the Commission's authority to promote regional management of the transmission grid through regional transmission organizations; and (3) establish a fair and effective program to protect bulk power reliability. It would also be very helpful to clarify

certain Federal/State jurisdictional issues, amend the Public Utility Holding Company Act (PUHCA) to foster competition and allow the Commission and States to protect consumers against affiliate abuse and cross-subsidization, and enhance the Commission's ability to address market power concerns and promote competitive bulk power markets. Such legislation would help the Commission remove impediments to market competition by providing open access to transmission, encouraging efficient and reliable regional transmission operations, and clarifying the jurisdictional issues that are bound to arise as industries change fundamentally.

**Open Access to All Transmission Facilities**

Despite the successes of Order No. 888 in fostering competition, the Commission's open access transmission regime has key gaps. Sections 205 and 206 of the Federal Power Act (FPA), the basis for Order No. 888's open access requirements, apply to public utilities but not to Federal power marketing administrations, municipal utilities, or those rural electric cooperatives financed by the Rural Utilities Service ("non-public utilities"). Many of these non-public utilities own or control substantial amounts of transmission facilities. While the Commission has limited authority under FPA section 211 to require these entities to provide transmission service, the process is

slow and cumbersome, and must be administered on a case-by-case basis.

Because our jurisdiction over these transmission-owning entities is limited, approximately one-third of the Nation's integrated transmission grid is beyond the reach of Order No. 888's open access requirements. In virtually all cases, however, the transmission facilities owned by the non-jurisdictional utilities are integrated with, and are affected by, jurisdictional transmission operations. While I am pleased to say that a number of non-public utilities such as the Bonneville Power Administration (BPA) and the Western Area Power Administration (WAPA) have voluntarily offered transmission service under FERC-approved open access tariffs, many others have not.

Efficient markets in network industries generally require that all transmission service providers within an economic market be subject to the same rules. This gap in the applicability of open access rules on the interstate grid limits how competitive and efficient the interstate power marketplace can become, and may preclude customers from reaching lower cost power sources.

Only a change in Federal law can ensure the availability of open access transmission service. Such legislation need not intrude unnecessarily into the activities of these entities. In fact, the experience of those non-public utilities that have voluntarily adopted open access tariffs demonstrates that open

access service consistent with the Commission's requirements is as workable for non-public utilities as for public utilities, although appropriate legislation may be needed to address related tax consequences in certain cases. However, the full benefits of competition will naturally be delayed until open transmission access is universal. As I note below, several bills would address these issues by extending FPA jurisdiction over the rates, terms and conditions for transmission services provided by non-public utilities that own, operate, or control transmission facilities.

### **Regional Transmission Organizations**

It is becoming increasingly clear that regional approaches to operating and planning the nation's transmission grid can bring greater efficiency in our electric power system. The Commission recently proposed new rules on Regional Transmission Organizations (RTOs) to facilitate and accelerate the voluntary formation of RTOs. Under the Commission's proposal, RTOs may include both independent system operators, or ISOs, which are regional entities that would operate transmission facilities owned by others, and transmission companies (transcos) that both own and operate a regional transmission system. The Commission did not propose to require utilities to participate in an RTO by a date certain, but proposes to rely on voluntary RTO initiatives.

The Commission proposed certain minimum characteristics and functions that an RTO must satisfy. The four proposed characteristics are that the RTO must: (1) be independent from market participants; (2) serve a region of sufficient scope and configuration to allow the RTO to perform effectively and support open, efficient and transparent power markets; (3) have operational responsibility for all transmission facilities under its control; and (4) have responsibility for maintaining the short-term reliability of the grid it operates.

If properly constituted and truly independent, RTOs can help address and eliminate remaining obstacles to competition and make the market more efficient. First, RTOs will ensure that vertically-integrated transmission-owning utilities do not discriminate in favor of their own generation over another seller's generation. Second, RTOs can be structured to eliminate "pancaking" of transmission rates that raises the cost of moving power across multiple utility systems. Third, RTOs that have the proper tools can better manage transmission congestion, reduce the instances when power flows on transmission lines must be decreased to prevent overloads, and effectively solve short-term reliability problems. Fourth, RTOs can facilitate transmission planning across a multi-State region and, by operating the grid as efficiently as possible, may give confidence to State siting authorities that new transmission facilities are proposed only when truly needed. Significantly, the Commission can defer to

the planning, pricing, and control area decisions of an RTO if it fairly represents the interests of all stakeholders through open membership and fair governance procedures.

I support legislation that would reinforce the Commission's authority to order public utilities to establish and participate in RTOs, to promote efficient operation of bulk power markets and prevent undue discrimination by transmission owners. I also support legislation expressly authorizing the Commission to require non-public utilities to participate in RTOs. Such legislation would enable the Commission to proceed to develop efficient and reliable regional power markets. Such markets will significantly lower the cost of power to consumers.

### **Reliability**

Let me turn next to the issue of reliability. In the past, regulators and industry participants relied upon voluntary industry cooperation to establish reliability standards and practices. Regional reliability councils and the North American Electric Reliability Council (NERC), comprised primarily of transmission-owning utilities, relied upon voluntary cooperation and peer pressure to ensure compliance with the standards they established.

Competition in power markets has increased concern that reliability rules can no longer be set or enforced in the same manner as in the past. Power markets today have many more



participants and transactions. Faced with competitive pressure, some participants may be prompted to cut corners on reliability. Many observers, including NERC and the industry itself, have concluded that a system of mandatory reliability rules is needed to ensure that competition does not compromise the security of our Nation's electric transmission system.

In light of the possibility of non-compliance with voluntary standards and the current lack of clear authority to mandate compliance with reliability rules, industry participants have initiated several proceedings at the Commission to address specific reliability issues. While the Commission has traditionally exercised little authority in such matters, the industry nevertheless has asked the Commission to adopt stopgap measures and to decide the lawfulness of new reliability measures under FPA standards ordinarily used to review rates and commercial practices. In 1998, for example, NERC initiated a proceeding seeking Commission review of NERC's new procedures for reducing power flows to prevent overloads on transmission lines. NERC, 85 FERC ¶ 61,353 (1998), order on reh'g, 87 FERC ¶ 61,161 (1999). Although the Commission can seek to ensure that new reliability standards are not unduly discriminatory or anti-competitive, a Commission finding that reliability measures meet FPA standards is not sufficient to ensure that system reliability will be maintained.

The Commission is receiving more and more cases that raise issues of reliability. The industry recognizes that mandatory reliability rules and effective Federal oversight of the rule-setting and enforcement will be important to ensure the future integrity of electric service. Federal legislation is needed to achieve this end.

### **Clarifying Federal/State Jurisdiction**

There are several important jurisdictional issues that need to be addressed by Congress to ensure an appropriate division of authority between State and Federal regulators, and to provide greater regulatory certainty as electricity markets become more competitive.

First, Congress should clarify the authority of the States to order retail transmission access. While many States have gone forward with retail customer choice programs, those challenging such initiatives have argued that the FPA preempts States from ordering retail transmission. While I do not subscribe to that view, if such arguments were to prevail, they could effectively thwart pro-competitive innovation at the State level. Congress should remove this legal cloud.

Second, the Congress should clarify that, on one hand, the Commission has authority over facilities used for unbundled retail transmission in interstate commerce and that, on the other, the States have authority over local distribution

facilities and services. The Congress should clarify that the Commission, after consultation with and deference to the States, can determine the jurisdictional split between transmission and local distribution facilities on a case-by-case basis. It is important that the Commission have jurisdiction not only over the rates, terms and conditions of interstate transmission used for wholesale sales but also over the rates, terms and conditions of interstate transmission used for unbundled retail sales (i.e., interstate transmission used to accommodate retail choice programs). It is equally important that States have control over local distribution to consumers within their borders and that they have appropriate jurisdictional means, such as local distribution service charges, to structure and assess fees designed to recover stranded costs and stranded benefits if State and local policymakers decide it is appropriate to do so.

Third, the Congress should clarify that, if States order retail customer choice programs, the Commission has the authority to order whatever transmission service is necessary to move the power from the seller, across intervening States, to the ultimate State that has the retail choice program. This will require an amendment to section 212(h) of the FPA which, under some circumstances, arguably would preclude the Commission from ordering transmission to accommodate State retail customer choice programs.

### **PUHCA Reform**

The Public Utility Holding Company Act (PUHCA) requires some utilities to comply with onerous restrictions that are not compatible with bulk power competition. Additionally, in some instances, PUHCA encourages the very concentrations of generation ownership and control that are anathema to competitive power markets and discourages asset combinations that could be pro-competitive. Thus, PUHCA should be amended or repealed, with one major caveat. Reform legislation should ensure that both the Commission and States have adequate access to the books and records of utilities and their affiliates, to protect against affiliate abuse and ensure that captive consumers do not cross-subsidize entrepreneurial ventures. Also, if PUHCA is not repealed, it should be amended to restore FERC's ability to adequately regulate the rates of utilities that are members of registered holding company systems, closing the regulatory gap created by the court decision in Ohio Power Co. v. FERC, 954 F.2d 779 (D.C. Cir. 1992).

### **Merger Review**

As I note below, the Administration's bill, S. 1047, would clarify that the Commission has jurisdiction over mergers involving only generation facilities, and that holding companies with electric utility subsidiaries cannot merge without Commission authorization. I believe it would be helpful to close

these gaps in the Commission's jurisdiction over mergers to safeguard against exacerbation of market power through mergers.

### **Market Power Remedies**

As we seek to rely more heavily on competition as opposed to traditional price regulation to protect the interests of ratepayers, regulators must have the range of tools necessary to address market power problems that threaten competition. Reforms to the Federal statutory scheme are appropriate to permit regulators to keep up with the challenges posed by market power in evolving markets. The ability to effectively remedy market power problems becomes ever more important as lawmakers and regulators rely increasingly on competition, instead of traditional cost-based regulation, to protect consumers.

### **Pending Legislation**

I now turn to the six bills that are pending before this Committee and that are the subject of this hearing. I will comment on the elements of these bills that affect activities within the Commission's current purview -- transmission and wholesale sales in interstate commerce. While I would be pleased to provide the Committee with detailed technical comments on each bill if the Committee requests, I will comment more generally on each bill today.

**S. 1047**

S. 1047, the non-tax portions of the Administration's proposed restructuring bill, constitutes a comprehensive legislative proposal. These are key areas related to enhancing the Commission's work in promoting competitive wholesale power markets. I believe the bill provides an excellent framework for Federal electricity legislation.

For example, the bill would bring all transmission facilities in the lower 48 States within the Commission's open access transmission rules by extending FPA section 205 and 206 jurisdiction over transmission services provided by Federal, municipal and cooperatively-owned utilities. (Section 301(c)).

S. 1047 would reinforce FPA authority to promote regional management of the transmission grid through regional transmission organizations. It would amend FPA section 202 to expressly permit the Commission to establish an entity for independent regional operation, planning, and control of interconnected transmission facilities and to require a utility to relinquish control over operation of its transmission facilities to an independent regional system operator. Appropriately, however, before taking such action, the Commission would have to find, inter alia, that: the action is appropriate to promote competitive electricity markets and efficient, economical, and reliable operation of the interstate transmission grid; the

utility transferring control of its transmission facilities will receive just and reasonable compensation; and adequate reliability of the facilities will be maintained. (Section 304).

S. 1047 would address electric reliability by amending the FPA to give the Commission the authority to approve and oversee an Electric Reliability Organization tasked with developing mandatory reliability standards. Membership in the organization would be open to all entities that use the bulk-power system and would be required for all entities critical to system reliability. The bill provides that: (1) the reliability rules will be mandatory and will be enforceable; (2) the industry-based process for developing new standards will be open; and (3) the Commission will have an appropriate oversight role to ensure that the reliability standards are sufficient to preserve reliability and are non-discriminatory, but will defer as appropriate to the technical expertise and stakeholder process of the industry organization. This approach strikes an appropriate policy balance. (Sections 601, 602, 603).

With regard to Federal/State jurisdiction, S. 1047 would clarify FPA authority over unbundled retail transmission. It also would clarify that the FPA does not prevent States and nonregulated distribution utilities from ordering retail competition or imposing conditions, such as a fee, on the receipt of electric energy by an ultimate customer within the State. The

bill's clarifications on FPA jurisdiction are appropriate.  
(Section 301).

S. 1047 would repeal PUHCA but, importantly, give the Commission and State regulatory commissions necessary access to the books and records of holding companies and their affiliates.  
(Section 501).

As to merger review, the bill would clarify FPA jurisdiction over the merger or consolidation of electric utility holding companies and generation-only companies. It also would require that the Commission consider the effect a merger could have on retail, as well as wholesale, electric generation markets. These reforms would help guard against gaps in FPA merger review.  
(Section 502.)

Further, the bill would amend the FPA to authorize the Commission to remedy market power in wholesale markets outside the context of merger review. It also would authorize the Commission, upon petition from a State, to remedy market power in retail markets. As market-based rates become more widespread, the ability to structurally remedy horizontal market power in generation markets, especially where transmission constraints limit the number of market participants, becomes even more important. Providing a Federal backstop to address market power where States have identified, but cannot remedy, a market power problem would support States seeking to pursue retail competition policies. (Section 503).



S. 1047 also would repeal prospectively the "mandatory purchase" provision of section 210 of PURPA. Existing contracts would be preserved, and the other provisions of section 210 would continue to apply. (Section 404).

I believe these provisions, taken together, address the major areas in which further legislation is needed to move us to fully competitive wholesale power markets and to support States that choose to develop retail competitive power markets.

### **S. 161**

S. 161 would direct the PMAs and TVA to develop and submit to FERC proposed power rates intended to ensure recovery of all costs incurred, and FERC would be authorized to review and approve or modify those rates. S. 161 would also provide that if the rates being developed by the PMAs exceed market rates, the Secretary of Energy may approve lower, market rates if certain conditions are met. S. 161 would, in addition, require a transition by the PMAs and TVA to market rates for all power that they sell, using bid and auction procedures established by the Secretary. It is unclear to me how the provisions interact with existing Commission authority over the PMAs' power rates under other statutes.

Most significantly from the Commission's perspective, S. 161 would require the PMAs and TVA to provide open access transmission service at just and reasonable rates approved by the

Commission, in the same manner as service provided by public utilities subject to Commission jurisdiction. The bill would not, however, require the PMAs or TVA to expand transmission or interconnections to provide transmission service. This provision generally is consistent with my recommendation to make all utilities that own transmission facilities subject to the same open access transmission requirements applicable to public utilities, with the exception that it does not impose an obligation to expand transmission if necessary.

**S. 282**

S. 282 repeals, prospectively, the existing requirement found in the Public Utility Regulatory Policies Act (PURPA) that electric utilities must purchase power from qualifying facilities. It does not interfere with existing contracts or affect existing obligations. S. 282 requires the Commission to promulgate regulations that ensure that utilities may pass through, and not be required directly or indirectly to absorb, the stranded costs associated with purchases from qualifying facilities under contracts existing before the date of enactment.

As competitive bulk power markets have emerged, contracts entered into in prior years under PURPA have become uneconomic because they contain rates that are above current market prices. In this increasingly competitive environment, it is unreasonable to impose a "mandatory purchase" requirement that could result in

sales of power at an above-market price. S. 282 recognizes the changes in competitive markets by repealing the mandatory purchase obligation prospectively. Importantly, it recognizes the sanctity of existing contracts. However, we recommend that it be clarified not to preclude utilities from buying out or buying down high-cost PURPA contracts where appropriate.

### **S. 516**

Among other changes, S. 516 would deregulate the prices for sales of electricity at wholesale, exempting the rates for such sales from Commission regulation under Parts II and III of the FPA. While the Commission has allowed market-based rates for the vast majority of public utilities, many of these utilities own monopoly transmission facilities and at this time the Commission must monitor for affiliate abuse. Also, transmission constraints can limit the ability of competitors to sell power into certain areas and allow sellers already within such areas to exercise market power. In instances where markets are not working or when there are instances of affiliate abuse, the Commission needs continued authority to regulate wholesale power rates. Without FPA authority to regulate wholesale rates, bulk power purchasers could face costly price increases where conditions do not permit competition.

S. 516 would place all entities that own, operate or control facilities used for the transmission of electricity in interstate

commerce under FPA section 205 and 206 jurisdiction with respect to wholesale transmission service. As I have testified, I believe that it is vitally important to place all owners of transmission facilities in the integrated grid under the same open access rules.

S. 516 repeals PUHCA, but requires that holding companies and their affiliates (both electric and gas) still maintain, and make available to the Commission and State commissions, books and records that are relevant to the costs they incur and that are necessary or appropriate to protect ratepayers. It further provides that neither the Commission nor State commissions are barred from exercising their respective authorities to determine whether public utilities (both electric and gas) may recover in their rates the costs incurred in inter-affiliate transactions. This approach to PUHCA reform appropriately balances the policy concerns that have been raised.

S. 516 provides for a system of mandatory reliability standards to be developed by an open, industry-based process with Commission oversight. The importance of a reliable electric system cannot be over-emphasized. Reliability standards that apply to all industry participants are essential. I believe that Federal reliability legislation and oversight are important to the future integrity of the electric system and to continued reliable electric service. Let me stress, however, that while the Commission and the States will play a key role in maintaining

reliable service, it is still up to the industry in the first instance, through a fair stakeholder process, to establish appropriate technical standards and then to apply them to all market participants in a non-discriminatory fashion.

From my perspective, any proposed reliability legislation should establish mandatory reliability standards, contain standards that are clearly enforceable, and provide the Commission with sufficient authority to oversee the standards development and enforcement process. These three elements should assure a fair process and allow the Commission to serve as a backstop forum for assuring reliability while respecting any consensus developed in an open, industry-wide process.

### **S. 1273**

S. 1273 amends the FPA to clarify that the Commission's authority extends to unbundled transmission of electric energy sold at retail (but not to either bundled retail electricity sales or unbundled local distribution service). It also extends section 205 regulation of transmission service to PMAs, TVA, municipal utilities, and cooperatives still owing debt to the Rural Utilities Service. Such amendments would fill the gaps in the availability of open access transmission service nationwide, and thus allow customers to receive the full benefits of competitive bulk power markets. S. 1273 amends the FPA to allow the Commission to order transmission service to ultimate

consumers where the seller is permitted or required by State law to make such sales. S. 1273 further amends the FPA to allow States to require electric utilities to provide unbundled local distribution service on a not unduly discriminatory basis. These amendments provide important clarifications of Commission and State authorities.

S. 1273 would amend the FPA to authorize the Commission to order the formation of regional transmission organizations, and to order transmitting utilities within such regions to participate. The bill would authorize the Commission to appoint an oversight board (composed of a fair representation of all of the transmitting utilities participating in the regional transmission system, electric utilities and consumers served by the system, and State regulatory authorities within the region) to oversee the operation of the regional transmission system and to ensure that the independent system operator formulates policies, operates the system, and resolves disputes in a fair and non-discriminatory manner. S. 1273 also provides for the oversight board to appoint an independent system operator to operate the regional transmission system. This operator is not permitted to own generating facilities or sell electricity, and may not be subject to the control of, or have a financial interest in, any utility with the region.

I believe it is essential to form regional transmission organizations that provide for independent, regional operation of

the grid. All transmission facilities in a region should be under the control of a single, independent operator. I would note that such operators could also own regional transmission facilities.

S. 1273 authorizes the Commission to establish and enforce national electric reliability standards, and, in order to carry out those standards, it authorizes the Commission to designate both a national electric reliability council and regional electric reliability councils whose mission is to promote reliability of the electric system. As I explained above regarding S. 516 and S. 1047, any proposed reliability legislation should establish mandatory reliability standards, provide for enforcement of the standards, and provide the Commission with sufficient authority to oversee the standards development and enforcement process.

S. 1273 amends the FPA to provide for Federal siting of new transmission facilities. The bill also would authorize the Commission, when necessary or desirable in the public interest, to order utilities to enlarge or improve their existing facilities (unless doing so would unreasonably impair the ability to render adequate service). Before issuing such an order, the Commission would need to comply with the requirements of the National Environmental Policy Act, and would need to refer the matter to a joint FERC/State board for advice and recommendations on the need, design, and location of the proposed facilities.

The construction of new transmission facilities may represent an important means of obtaining the efficiency benefits of greater competition in electricity markets. The construction of new facilities may also have reliability benefits for the State or locale in which the facilities are located and other States and locales as well. At present, State-by-State planning and siting are the norm. However, as new transmission facilities are used increasingly to support regional reliability and markets, States may have difficulty balancing local impacts with broader, regional benefits.

I believe the answer to this dilemma rests with creation of institutions that have a regional perspective on the planning and development of new facilities, and that take into account the interests of all affected market participants and States. This type of institution could adopt a broad perspective on decision making on proposed transmission expansions and fairly balance local and regional concerns and benefits, as well as the suitability of constructing new transmission facilities compared, for example, to developing new generation. RTOs could perform this planning function, recognizing that their role would only be advisory to State siting authorities under existing law.

**S. 1284**

S. 1284 would repeal PUHCA. As I testified above, I believe any repeal of PUHCA must be accompanied by a grant of additional



authority to FERC and State commissions to access needed holding company (and affiliate) books and records.

S. 1284 repeals the requirement in PURPA that electric utilities must purchase electricity from qualifying facilities, but does so prospectively only. It does not affect rights and remedies under existing contracts. As I noted above, in this increasingly competitive environment, it is unreasonable to impose a "mandatory purchase" requirement at anything other than the market price.

### **Conclusion**

Thank you again for the opportunity to offer my views here this morning. I emphasize that my comments on specific bills have focused primarily on provisions that may affect the Commission's responsibilities and have discussed only the general approaches in the bills. I would be happy to provide technical comments in the future if it would be helpful to the Committee. I would be pleased to answer any questions you may have.